

trade; then in the next year the bubble or maximum of inflation and fictitious values, succeeded by the year in which the inevitable collapse occurs; and finally about three years of depressed trade, when, the cycle having been completed, the series of variations which has marked its course is regularly repeated.

Lord Overstone, the banker, presented the procession in a closely similar form: quiescence, improvement, growing confidence, prosperity, excitement, overtrading, convulsion, pressure, stagnation, distress, quiescence once more.

A well-known banker has stated that "no one is likely to forget the temporary effects of a panic if he has lived through one." The predominant characteristics are mutual distrust and personal fear, and as the crisis proceeds to culmination, every physical and mental form of terror into which the emotion has been analysed by psychologists is exhibited, intensified by its participation by a multitude, with action and reaction in incessant play and force; the concentration of the entire nervous energy upon the organs of perception, the fixation of the mind upon a particular class of ideas on which perception is exclusively centred, and upon the physical movements which are correlated with those ideas; the abolition of the activity of volition except in the direction dictated by the dominant feeling; the complete depression of spirit and hope by the intrusion of intense foreboding of evil; the sense of repellent suspicion individually and collectively generated; and the final submergence of the intellect, and signally its power of judgment, under the flood of the single emotion which sweeps away all barriers of control.

The cycle or circle of occurrences is not universally identical in its exact duration, either as regards the partial periods of which it is composed, or the precise term of its completed round; but it is remarkable to observe how closely and punctually the more important collapses of credit (a synonym for commercial crises) tend to revolve in the specific and recurrent space of about eleven years.

I have collected in Chapter XIX all the available information within my reach upon the subject, and to this the reader's attention is particularly directed as an indication (in addition